



NEWS RELEASE

Early Warning Report Issued Pursuant to National Instrument 62-103 Transfer of Voting Control Over Certain Trust Units of BSR

2025-12-26

LITTLE ROCK, Ark. and TORONTO, Dec. 26, 2025 /CNW/ - This press release is being disseminated as required by National Instrument 62-103 – *The Early Warning System and Related Take Over Bids and Insider Reporting Issues* ("NI 62-103") in connection with the filing of an early warning report (the "Early Warning Report") by John S. Bailey, who has reported that he no longer has voting control over 2,000,000 trust units ("Trust Units") of BSR Real Estate Investment Trust ("BSR" or the "REIT") (TSX: HOM.U) and (TSX: HOM.UN). These Trust Units are held by a trust established for the benefit of certain executive officers and employees of the REIT (the "Employee Trust"). Since the establishment of the trust, Mr. Bailey held only voting control over the related Trust Units. The 2,000,000 Trust Units remain held by the Employee Trust and have not been transferred or sold. Mr. Bailey's voting control has ceased effective today. Voting control of the Trust Units is now held by W. Daniel Hughes, a trustee of the REIT.

On February 24, 2020, Mr. Bailey announced that J&P Unit Holding, LLC ("J&P"), a company 100% indirectly owned by Mr. Bailey, had sold 2,000,000 Trust Units to the Employee Trust, with J&P maintaining voting control over such Trust Units pursuant to a voting agreement between J&P and the Employee Trust (the "Voting Agreement"). The Voting Agreement was terminated today in accordance with its terms. As a result, Mr. Bailey no longer has control over the 2,000,000 Trust Units held by the Employee Trust. In addition, W. Daniel Hughes Jr., a trustee of the REIT, has replaced Daniel M. Oberste, the REIT's President & Chief Executive Officer, as the sole trustee of the Employee Trust. Mr. Hughes will exercise control and direction over the 2,000,000 Trust Units held by the Employee Trust for the benefit of the employees.

In addition to controlling certain other Trust Units, Mr. Bailey also controls certain class B units ("Class B Units") of BSR Trust, LLC, the REIT's operating subsidiary. Each Class B Unit is redeemable by the holder thereof for cash or one Trust Unit (subject to customary anti-dilution adjustments), as determined by BSR Trust, LLC in its sole discretion.

As a result of the termination of the Voting Agreement, Mr. Bailey's beneficial ownership interest in the REIT has decreased in an amount greater than 2% of the outstanding Trust Units that were the subject of the most recent report filed by Mr. Bailey pursuant to NI 62-103.

Prior to the termination of the Voting Agreement, Mr. Bailey beneficially owned or exercised control or direction over 3,865,276 Trust Units and 1,771,116 Class B Units (in each case including all securities held by J&P and certain other entities over which Mr. Bailey has control or direction), which together represented an approximate 14.57% interest in the REIT (determined as if all Class B Units are redeemed for Trust Units), an approximate 15.82% interest in the outstanding Trust Units (determined as if only Mr. Bailey's Class B Units are redeemed for Trust Units), and an approximate 36.82% interest in the outstanding Class B Units.

Following the termination of the Voting Agreement, Mr. Bailey beneficially owns or exercises control or direction over 1,865,276 Trust Units and 1,771,116 Class B Units (in each case including all securities held by J&P and certain other entities over which Mr. Bailey has control or direction), which together represented an approximate 9.40% interest in the REIT (determined as if all Class B Units are redeemed for Trust Units), an approximate 10.20% interest in the outstanding Trust Units (determined as if only Mr. Bailey's Class B Units are redeemed for Trust Units), and an approximate 36.82% interest in the outstanding Class B Units.

The Trust Units and Class B Units held by Mr. Bailey are being held for investment purposes and he may, depending on market and other conditions, increase or decrease his beneficial ownership or control of Trust Units or Class B Units whether through market transactions, private agreements, treasury issuances, exercise of convertible securities or otherwise.

A copy of the early warning report to be filed by Mr. Bailey in connection with the transactions described herein will be available on the REIT's SEDAR+ profile at www.sedarplus.ca and may be obtained from Spencer Andrews, Vice President of Marketing and Investor Relations of the REIT, at the telephone number below.

About BSR Real Estate Investment Trust

BSR Real Estate Investment Trust is an internally managed, unincorporated, and open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. The REIT owns a portfolio of multifamily garden-style residential properties located in attractive primary and secondary markets in the Sunbelt region of the United States.

The head office of the REIT is located at 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7. John S. Bailey's address is 1400 W. Markham, Suite 202, Little Rock, AR, 72201.

SOURCE BSR Real Estate Investment Trust